

Life Examination Study Outline

- Bisys Life and Health Basics (Bisys Education Services, 1-800-428-1324)
www.bisys-education.com
- Bisys Insurance Law Digest for KY (Bisys Education Services, 1-800-428-1324)
- Kentucky Insurance Laws and Regulations (Kentucky Department of Insurance, P O Box 517, Frankfort, KY 40601 – cost is \$36.00) **www.doi.state.ky.us**

I. Policy Types

- A. Traditional life policies
 1. Whole life
 2. Limited-pay life
 3. Single premium life
 4. Modified life
 5. Graded premium life
 6. Adjustable life
- B. Interest-sensitive life products
 1. Universal life
 - a. Loads
 - (1) Front end
 - (2) Back end
 - b. Adjustments
 - (1) Charge to cash value
 - (2) Credit to cash value
 - c. Death benefit options
 2. Variable whole life
 3. Variable Universal whole life
 4. Current assumption whole life
- C. Term life
 1. Level
 2. Decreasing
 3. Increasing term
 4. Special term features
 - a. Renewable
 - b. Convertible
- D. Annuities
 1. Single premium
 2. Level premium
 3. Flexible premium
 4. Immediate & Deferred
 5. Fixed
 6. Variable
- E. Endowment
- F. Combination plans
 1. Family policy
 2. Family income policy
 3. Family maintenance policy
 4. Joint life
 5. Survivorship life

II. Policy Provisions

- A. Policy riders

1. Waiver of premium
 2. Disability income
 3. Guaranteed insurability
 4. Payor benefit
 5. Accidental death
 6. Term riders
- B. Policy provisions and options
1. Entire contract
 2. Insuring clause
 3. Free look
 4. Consideration
 5. Owner's rights
 6. Beneficiary designations
 - a. Primary
 - b. Contingent
 - c. Revocable
 - d. Irrevocable
 - e. Changes
 - f. Common disaster
 7. Premium payments
 - a. Grace period
 - b. Automatic premium loan
 - c. Level
 - d. Flexible
 8. Reinstatement
 9. Policy loans & withdrawals
 10. Nonforfeiture options
 11. Dividends & Dividend options
 12. Incontestability
 13. Assignments
 14. Suicide
 15. Misstatement of age
 16. Settlement options
- C. Policy exclusions

III. Application & Underwriting

- A. Application
1. Required signatures
 2. Changes in the application
 3. Consequences of incomplete applications
 4. Warranties & representations
 5. Concealment
 6. Conditional receipt
- B. Underwriting
1. Insurable interest
 2. Medical Information Bureau (MIB)
 3. Fair credit reporting act
 4. Risk classification
 5. Risk selection process

IV. Tax Treatment & Other Life Insurance Concepts

- A. Group life insurance
 - 1. Setting up group life coverages
 - 2. Contributory vs. Noncontributory
 - 3. Credit life
 - 4. Conversion privilege
- B. Retirement plans
 - 1. Tax-qualified plans
 - 2. Nonqualified plans
- C. Business insurance
 - 1. Key employee
 - 2. Buy-Sell agreements
 - 3. Split-Dollar
- D. Social Security benefits
- E. Tax treatment of life insurance
 - 1. Individual life
 - 2. Group life
 - 3. Modified Endowment Contracts (MEC)
- F. Accidental death benefits

V. Insurance Terms

- A. Insurance
 - 1. Principles of insurance
 - 2. The insurance contract
 - 3. Insurance company organization & regulation
 - a. Types of companies
 - (1) Stock
 - (2) Mutual
 - (3) Reciprocal
 - (4) Fraternal
 - b. Agents
 - c. Consultant
 - d. Surplus lines broker
 - e. Domestic
 - f. Foreign
 - g. Alien
 - h. Admitted (authorized)
 - i. Nonadmitted (nonauthorized)
 - 4. Codes regulating agents
 - a. Fiduciary
 - b. Twisting
 - c. Rebating
 - d. Address change
 - e. Continuing Education
 - f. Fraud
 - g. Misrepresentation
 - h. Commission splitting
 - i. Illegal dealing in premiums
 - 5. Rating policies
 - a. Adequate
 - b. Nondiscrimination

- c. Not excessive
- 6. Insurance Services Office (ISO)